

Introduced by Senator Yee

February 22, 2007

An act relating to organized retail crime.

LEGISLATIVE COUNSEL'S DIGEST

SB 571, as amended, Yee. Organized retail crime.

Existing law divides the crime of theft into 2 categories: grand theft and petty theft. Grand theft is punishable as either a misdemeanor or a felony and petty theft is punishable as only a felony. Existing law contains various crime control programs.

This bill would *require the California Research Bureau of the California State Library, by September 30, 2008, to report to the Legislature on the economic losses caused by organized retail crime.* The bill would also make legislative declarations and findings ~~relative to~~ regarding the problems caused by organized retail crime and would state ~~that the intent of the Legislature is the Legislature's intent~~ to define the crime and provide law enforcement with the necessary tools to investigate and prosecute the crime.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known and may be cited as the
- 2 California Organized Retail Crime Act.
- 3 SEC. 2. The Legislature hereby finds and declares the
- 4 following:

(a) Organized retail crime involves the obtaining of, by fraud and theft, merchandise from entities engaged in retail commerce and is a nationwide problem of an increasing scale and costs that cost American companies and consumers \$37 billion in 2006.

(b) Increasing losses by retailers as a result of organized retail crime have made certain goods and products less available and accessible to California consumers.

(c) Organized retail crime is separate and distinct from shoplifting in that it involves professional theft rings that move quickly from community to community and across state lines, to steal large amounts of merchandise. Shoplifting is limited to items that are stolen by an individual for personal use or gain.

(d) The uncontrolled redistribution and unsafe storage of stolen and fraudulently obtained consumer products such as infant formula, over-the-counter medications, and other products by persons engaged in such organized crime is a health and safety hazard to California consumers.

(e) Unregulated black market sales of the fraudulently obtained and stolen merchandise result in the loss of millions of dollars in sales and income tax revenues to state and local governments.

(f) Illegal income from the expanding theft and resale of stolen retail goods is often used to benefit persons and organizations engaged in other forms of organized crime, such as drug trafficking, gang activity, and terrorism.

~~(h)~~

(g) Organized retail crime rings are increasingly using counterfeit, forged, misappropriated and improperly transferred Universal Product Code labels, and other devices employed to identify articles for sale as a method for achieving their ends.

SEC. 3. It is the intent of the Legislature to define ~~Organized Retail Crime~~ *organized retail crime*, to provide law enforcement and prosecutorial authorities, district attorneys, and the judiciary with an understanding of the unique nature of organized retail crime, and to provide them with additional tools to help stop this crime.

SEC. 4. *On or before September 30, 2008, the California Research Bureau of the California State Library shall report to the Legislature on the economic losses caused by organized retail crime in California and the best options for reducing this problem. The report shall include, but is not limited to, the following:*

- 1 (a) *The scope and economic impact of organized retail crime*
2 *in California.*
- 3 (b) *The loss of state sales tax and income tax revenue due to*
4 *organized retail crime.*
- 5 (c) *The connection between organized retail crime in California*
6 *and gangs, drug trafficking, and terrorism.*
- 7 (d) *How goods stolen through organized retail crime are*
8 *reentered into commerce.*
- 9 (e) *Existing barriers to prosecution for those caught engaging*
10 *in organized retail crime or those suspected of engaging in*
11 *organized retail crime.*
- 12 (f) *An assessment of additional resources law enforcement needs*
13 *to address the problem of organized retail crime.*